

**Kansas Health Policy Authority**  
**Reserve Calculation**  
**Medical, Pharmacy, Dental and Vision**

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Beginning Total Reserve Balance													
Reserve earning interest	11,269,564	11,657,437	11,880,072	12,243,602	12,618,256	13,004,375	13,402,309	13,812,420	(333,283,877)	(469,376,311)	(631,725,081)	(824,046,585)	(1,050,510,311)
Reserve not earning interest	212,102,003	183,032,836	78,295,832	32,723,159	(16,696,839)	(77,670,016)	(151,854,597)	(241,109,939)	0	0	0	0	0
<b>Total Beginning Reserve Balance</b>	<b>223,371,567</b>	<b>194,690,273</b>	<b>90,175,904</b>	<b>44,966,761</b>	<b>(4,078,582)</b>	<b>(64,665,641)</b>	<b>(138,452,288)</b>	<b>(227,297,520)</b>	<b>(333,283,877)</b>	<b>(469,376,311)</b>	<b>(631,725,081)</b>	<b>(824,046,585)</b>	<b>(1,050,510,311)</b>
Total Employer Contributions	246,219,378	200,650,046	284,633,852	312,678,658	336,129,557	361,339,274	388,439,720	417,572,699	448,890,651	482,557,450	518,749,258	557,655,453	599,479,612
Total Participant Contributions	103,260,905	115,205,957	123,469,737	133,493,679	144,356,041	156,129,573	168,891,603	182,726,754	197,727,000	213,992,313	231,631,367	250,762,296	271,513,528
<b>Total Contributions</b>	<b>349,480,283</b>	<b>315,856,003</b>	<b>408,103,589</b>	<b>446,172,337</b>	<b>480,485,599</b>	<b>517,468,847</b>	<b>557,331,323</b>	<b>600,299,453</b>	<b>646,617,651</b>	<b>696,549,763</b>	<b>750,380,625</b>	<b>808,417,749</b>	<b>870,993,140</b>
<b>Total Plan Expenses</b>	<b>378,549,434</b>	<b>420,593,007</b>	<b>453,676,262</b>	<b>495,592,334</b>	<b>541,458,776</b>	<b>591,653,428</b>	<b>646,586,665</b>	<b>706,708,470</b>	<b>772,511,597</b>	<b>844,535,618</b>	<b>923,371,342</b>	<b>1,009,665,649</b>	<b>1,104,126,772</b>
Interest on Reserve Fund	387,857	222,635	363,530	374,654	386,119	397,934	410,111	422,660	(10,198,487)	(14,362,915)	(19,330,787)	(25,215,826)	(32,145,616)
<b>Net Cashflow (Contributions-expenses+Interest)</b>	<b>(28,681,294)</b>	<b>(104,514,369)</b>	<b>(45,209,143)</b>	<b>(49,045,343)</b>	<b>(60,587,059)</b>	<b>(73,786,647)</b>	<b>(88,845,232)</b>	<b>(105,986,358)</b>	<b>(136,092,433)</b>	<b>(162,348,771)</b>	<b>(192,321,504)</b>	<b>(226,463,725)</b>	<b>(265,279,248)</b>
Cashflow as % of expenditures	-7.6%	-24.8%	-10.0%	-9.9%	-11.2%	-12.5%	-13.7%	-15.0%	-17.6%	-19.2%	-20.8%	-22.4%	-24.0%
<b>Ending Available Balance (Reserve Ending Balance)</b>	<b>194,690,273</b>	<b>90,175,904</b>	<b>44,966,761</b>	<b>(4,078,582)</b>	<b>(64,665,641)</b>	<b>(138,452,288)</b>	<b>(227,297,520)</b>	<b>(333,283,877)</b>	<b>(469,376,311)</b>	<b>(631,725,081)</b>	<b>(824,046,585)</b>	<b>(1,050,510,311)</b>	<b>(1,315,789,558)</b>
Target Reserve	53,383,000	63,303,997	68,883,448	73,259,569	77,917,300	82,875,371	88,153,235	93,771,709	99,752,968	106,120,636	112,899,875	120,117,477	127,801,971
<b>ADMINISTRATION</b>													
(Cafeteria and Wellness Fund) Beginning Balance	1,792,817	2,607,161	3,437,792	4,481,265	5,275,622	5,936,756	6,523,349	7,038,863	7,486,317	7,868,323	8,187,126	1,955,758	1,955,758
Revenues													
Cafeteria	2,205,147	2,249,250	2,454,977	2,479,527	2,498,123	2,511,863	2,525,678	2,539,569	2,553,537	2,567,581	2,593,257	2,619,190	2,619,190
Wellness	703,095	717,157	766,988	536,892	429,513	386,562	347,906	313,115	281,804	253,623	228,261	205,435	205,435
<b>Total Revenues</b>	<b>2,908,242</b>	<b>2,966,407</b>	<b>3,221,965</b>	<b>3,016,418</b>	<b>2,927,637</b>	<b>2,898,425</b>	<b>2,873,584</b>	<b>2,852,685</b>	<b>2,835,341</b>	<b>2,821,205</b>	<b>2,821,518</b>	<b>2,824,625</b>	<b>2,824,625</b>
<b>Administrative Costs</b>	<b>2,093,898</b>	<b>2,135,776</b>	<b>2,178,491</b>	<b>2,222,061</b>	<b>2,266,503</b>	<b>2,311,833</b>	<b>2,358,069</b>	<b>2,405,231</b>	<b>2,453,335</b>	<b>2,502,402</b>	<b>2,552,450</b>	<b>2,603,499</b>	<b>2,655,569</b>
<b>End Balance</b>	<b>2,607,161</b>	<b>3,437,792</b>	<b>4,481,265</b>	<b>5,275,622</b>	<b>5,936,756</b>	<b>6,523,349</b>	<b>7,038,863</b>	<b>7,486,317</b>	<b>7,868,323</b>	<b>8,187,126</b>	<b>8,456,194</b>	<b>2,176,884</b>	<b>2,124,814</b>
<b>Factors</b>													
Interest Rate on Reserves*		3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Admin/Contract Fee/Vision Trend		2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
Healthcare cost trend rate		9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%
Employer % increase (eff. July 1)		4.5%	12.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Employee contribution % (eff. Jan 1)		5.0%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Target Reserve Factor		15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%

\*2010 Interest rate has been adjusted from 3.9% to 3.1% based on 10 year average